

A photograph of a modern glass-fronted building at dusk. The building's windows are illuminated from within, and the 'e-on' logo is visible in red on the lower right side of the facade. The image is partially obscured by a dark blue diagonal overlay on the left and bottom, and red geometric shapes in the corners.

**2022**

**MID-YEAR  
INVESTMENT  
INSITE**

**INNES ENGLAND**   
MAKE A GREAT DECISION

(Image: netMAGmedia Ltd)

# EAST MIDLANDS INVESTMENT INSITE

**Following record levels of commercial real estate investment in the East Midlands in 2021, the first half of 2022 has continued in much the same fashion.**

Bricks and mortar have traditionally been seen as a good hedge during inflationary times and Calastone has recently reported that inflows into property funds have turned positive, for the first time in nearly four years as more investors turn to the certainty of income. We continue to see very competitive bidding in the sub £5.0m market, particularly in the industrial and beds sectors.

Total investment volumes in the East Midlands for H1 2022 was £1.044 billion, slightly down (14%) on last year's record-breaking volume but significantly up (34%) on the five-year rolling average. Again, it has been the industrial and bed sectors that have dominated the market activity, accounting for 85% of all transactions.



*Ben Robinson*

**Investment Director**  
**07949 528332**

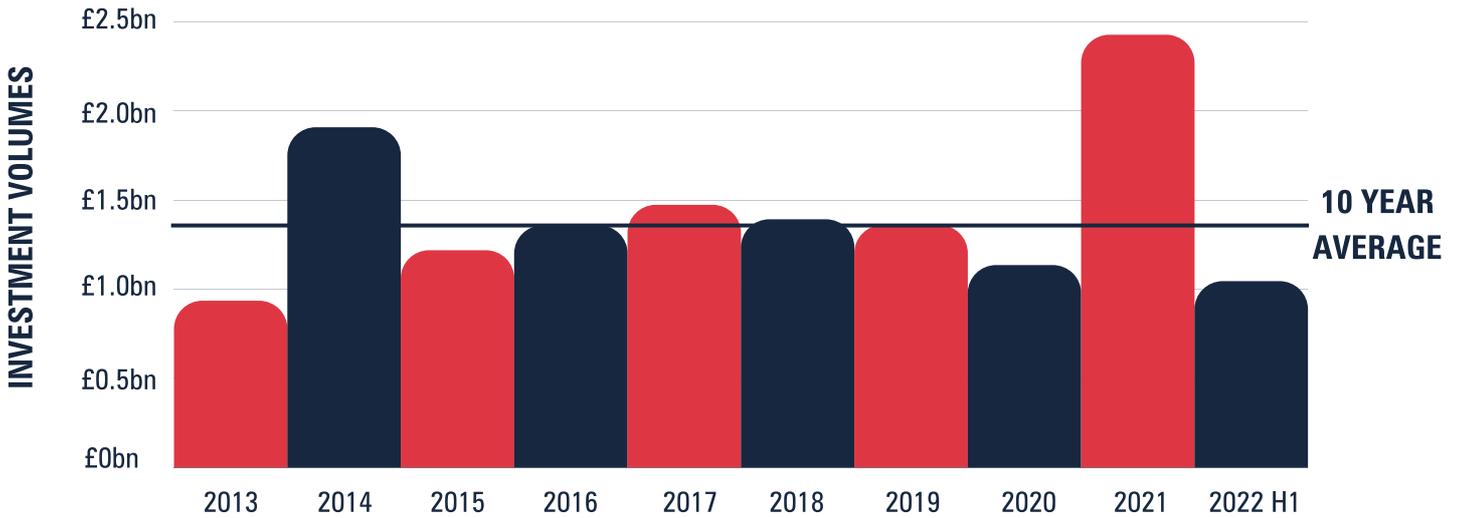
## Key logistics deals included:

- ICG Real Estate's £101.0m purchase of over 500,000 sq ft of state-of-the-art logistics space at Mercia Park in Swadlincote
- Urban Logistics' £41.0m purchase of the 670,000 sq ft Melton Distribution Centre in Leicestershire
- Realterm Global's £19.0m purchase of the 240,000 sq ft facility at Forbes Close in Nottinghamshire

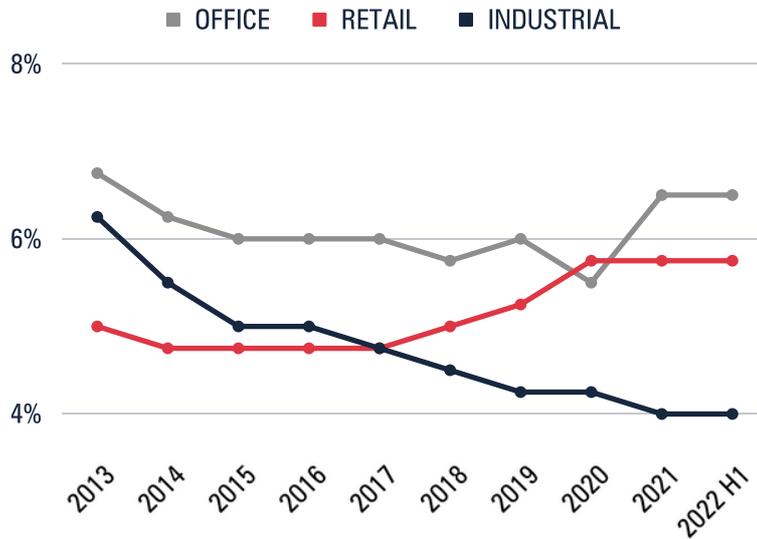
## PBSA deals included:

- Bricks Group's £70.0m purchase of the 783-unit student scheme on Bath Street, Nottingham, at the former Royal Mail sorting office
- UBS's £59.8m purchase of a 483-unit student accommodation on Ilkeston Road, Nottingham
- Unite Group's £34.0m forward funding of a 270-bed student scheme on Lower Parliament Street, Nottingham
- Patron Capital's £24.5m purchase of a 420-unit student accommodation scheme at Madison Gardens in Nottingham

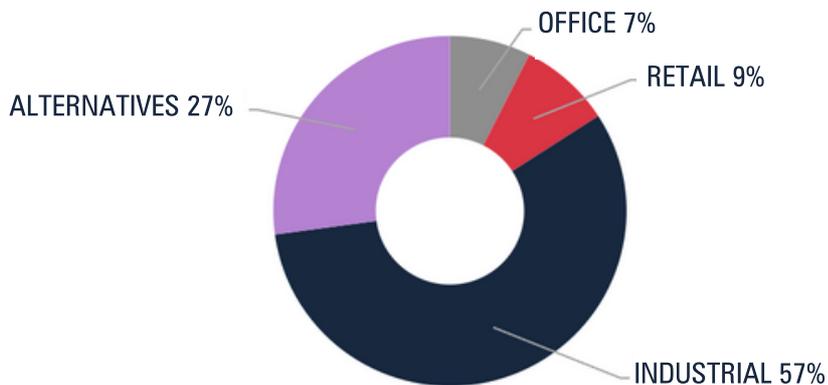
### EAST MIDLANDS TOTAL INVESTMENT VOLUMES



### EAST MIDLANDS PRIME INVESTMENT YIELDS



### EAST MIDLANDS INVESTMENT BY SECTOR



# DERBY

The standout deal in the first half of 2022 was ICG's £101m purchase of two logistic units at Mercia Park in Swadlincote. Other notable industrial transactions included BMO's purchase of Orion One & Two at Markham Vale for £44.5m, reflecting a yield of 3.7%, PCT HealthCare's purchase of a purpose-built warehouse at Horizon 29 for £17.9m and Northern Trust's purchase of Raynesway Park for £9.0m.

Outside of industrials there were a number of assets at Pride Park that were brought to market such as The Travelodge for £5.1m, reflecting a yield of 5.65%, and Euro Garages & MKM Supplies for £7.6m, reflecting a yield of 4.25%.

# NOTTINGHAM

In Nottingham offices were again the focus for investors in H1 2022 with Corum IM's purchase in May of EON's Trinity House for £28.0m, reflecting a yield of 6.85%, which follows on from the large purchases last year of HMRC's former office campus by the University of Nottingham for £36.0m and Domestic & General's new headquarters for £20.4m by Charles Street Buildings.

In addition, a number of significant transactions took place in out-of-town business parks, most notably on NG2 Business Park where The Arc was purchased by Specsavers for part occupation and part investment for £13.0m, reflecting a 5.95% yield, Speedo House was purchased by KJS for £8.6m, reflecting a 8.0% yield and The Curve was purchased by PMW Property for £5.63m, reflecting a 8.5% yield.

These transactions demonstrate there remains plenty of investor demand for city centre offices and well-connected business parks despite the much talked about shift to hybrid working patterns brought on by the pandemic, which some commentators expect to temper office returns.

# LEICESTER

Off the back of several large logistic deals last year, Leicester continued its industrial focus with the conclusion of another forward funding deal at Cross Link 646, regarding two industrial units totalling 128,000 sq ft being purchased by London Metric for £16.0m, reflecting a 4.5% yield. Another significant deal was Urban Logistics' purchase of the short-let Melton Distribution Centre for £41.0m, reflecting a yield of 6.67%.

In addition, there were a number of forward funding deals agreed in the beds sector, most notably Saxon House, the former HM Revenue and Customs building, where Oblix Living has sold the 102-unit scheme for £25.0m and Cinnamon Care Collection has purchased a 73-bed care home scheme on Uppingham Road from Charterpoint Senior Living.

## **BEN ROBINSON**

Investment Director

[brobinson@innes-england.com](mailto:brobinson@innes-england.com)

07949 528332

- Acquisition
- Asset Management
- Business Rates
- Building Surveying
- Dilapidations
- Expert Witness
- Landlord and Tenant
- Project Management
- Sales and Lettings
- Valuation

**BIRMINGHAM**

0121 387 3300

**DERBY**

01332 362244

**LEICESTER**

0116 255 5455

**NOTTINGHAM**

0115 924 3243

**INNES ENGLAND** ➤

MAKE A GREAT DECISION

[www.innes-england.com](http://www.innes-england.com)